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FM AMEMBASSY RANGOON
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8846
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHBK/AMEMBASSY BANGKOK 2862
RUEHBJ/AMEMBASSY BEIJING 2235
RUEHBY/AMEMBASSY CANBERRA 1885
RUEHKA/AMEMBASSY DHAKA 5161
RUEHLO/AMEMBASSY LONDON 2097
RUEHNE/AMEMBASSY NEW DELHI 5363
RUEHUL/AMEMBASSY SEOUL 8956
RUEHTC/AMEMBASSY THE HAGUE 0728
RUEHKO/AMEMBASSY TOKYO 6532
RUEHCN/AMCONSUL CHENGDU 1751
RUEHCHI/AMCONSUL CHIANG MAI 2121
RUEHCI/AMCONSUL KOLKATA 0599
RHHMUNA/CDR USPACOM HONOLULU HI
RUEKJCS/JOINT STAFF WASHDC
RUCNDT/USMISSION USUN NEW YORK 2350
RUEHGV/USMISSION GENEVA 4361
RUEATRS/DEPT OF TREASURY WASHDC
RUEKJCS/DIA WASHDC
RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 000207

SIPDIS

STATE FOR EAP/MLS, S/GAC, AND F
NSC FOR LIZ PHU
BANGKOK FOR USAID/RDMA HEALTH OFFICE, REO
DEPARTMENT PLEASE PASS TO USAID/AME AND DEPT OF HHS (WILLIAM
STEIGER)

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SUBJECT: BURMA: GLOBAL FUND PRINCIPAL RECIPIENTS SELECTED

REF: RANGOON 66

RANGOON 00000207 001.2 OF 002

Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4
(b and d).

Summary

¶1. (SBU) The Minister of Health chaired the fourth Country Coordinating Mechanism (CCM) meeting March 31 in preparation for the GOB's planned Round 9 Global Fund application. During the meeting, CCM members selected Save the Children (US) and the UN Office for Project Services (UNOPS) as the dual principal recipients (PRs) to oversee the requested Global Fund budget of USD 253 million over five years. Save the Children (US) will manage the funds for international NGOs and UNOPS will work with the UN, the Government of Burma, and local NGOs. UNOPS will also act as the sole procurement agent for the Global Fund grant. The Ministry of Health continues to draft the Round 9 proposal, and the CCM agreed to circulate drafts to interested parties for comment. Embassy Rangoon has already received and passed the HIV/AIDS proposal to the Department and USAID for comment, and will do the same with the TB and malaria proposals, which are expected within the next few weeks. End Summary.

And the PRs Are...

¶2. (SBU) During the last CCM meeting in January, members decided that Burma's Round 9 Global Fund (GF) application

would include two principal recipients (PRs), one to work with international NGOs and a separate recipient for UN and Government of Burma programs. In response to the February call for proposals, the CCM received two proposals -- from Save the Children (US) and UNOPS. Following the PR criteria established in January (reftel), members of the CCM Steering Committee reviewed the two proposals, and recommended that both organizations be selected as PRs rather than issuing another call for proposals or opting for only one PR. During the March 31 meeting, CCM members agreed that Save the Children (US), which currently is PR for Global Fund grants in Bangladesh and Nepal, and UNOPS, the current fund manager for the Three Diseases Fund (3DF) in Burma, would be the two PRs for a Round 9 grant. UNOPS would deploy a separate team from the one currently handling 3DF operations to fulfill its duties as PR under the Global Fund grant. Additionally, CCM members recommended that UNOPS act as the sole procurement agent for the GF grant, based on its procurement success with the 3DF. Ministry of Health (MOH) officials agreed that having one procurement agent would streamline the process and improve the delivery of goods.

¶3. (C) DFID Health Advisor and donor representative to the CCM Julia Kemp told us that the Minister of Health wholeheartedly endorsed both UNOPS and Save the Children (US) as PRs, noting that they have the experience necessary to successfully implement a Global Fund grant. According to Kemp, the Minister, who understands that the GOB is prohibited from being the PR, recommended that UNOPS ensure that Ministry of Health proposals are technically sound before funding them. Save the Children (US) official Tory Clawson highlighted that this is evidence that the GOB is

RANGOON 00000207 002.4 OF 002

willing to do what it can to ensure approval of the Global Fund grant. The MOH does not want to be treated any differently than other GF recipients, but the Minister recognizes the need to follow the any special safeguards imposed upon Burma because of its prior experience with the Global Fund, she commented.

¶4. (C) Discussing the sub-recipient process, the CCM members agreed that local NGOs and community-based organizations (CBOs) must be registered with the MOH to qualify for and implement GF grants. The Minister of Health noted that the MOH will work with interested NGOs to approve quickly any new registration applications. Additionally, officials from the MOH and Foreign Affairs stressed that NGOs must implement programs that fall within the parameters agreed to in their respective MOUs. Kemp acknowledged that the 3DF follows these regulations, providing grants to registered local NGOs and working with partners to ensure that they have MOU approval for programs.

Proposal Status -----

¶5. (SBU) The MOH, working with UN and INGO technical advisors, recently finished a draft HIV/AIDS proposal, and continues to write the TB and malaria proposals. According to Kemp, the MOH would appreciate comments on the draft proposals, including from donors. The CCM agreed to allow wide circulation of the draft proposals, and established the following timeline for proposal review:

- April 8 First drafts of HIV/AIDS, TB, and malaria proposals, as well as the CCM Governance Manual, circulated for comment
- April 23 Comments submitted to the CCM
- April 30 Second draft of HIV/AIDS, TB, and malaria proposals circulated for comment
- April 30 Comments on CCM Governance Manual due

-- May 7 Comments due to CCM

Kemp stated that the CCM expects to endorse the final proposal on May 15. The final budget request for the Round 9 application is USD 253 million over five years: USD 61 million for TB, USD 60 million for malaria, and USD 132 million for HIV/AIDS.

16. (SBU) Embassy Rangoon has circulated the draft HIV/AIDS proposal and the CCM Governance Manual to the Department and USAID/RDMA for comment, and will forward the TB and malaria proposals as soon as they are received.

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